

## NON-DEPARTMENTAL DESCRIPTION

The Non-Departmental revenue budgets are based on historical trends, current economic data, contract terms, and policy changes at the State and Federal level as appropriate.

NON-DEPARTMENTAL REVENUE SUMMARY				
Org	2012 Actual	2013 Budget	2014 Budget	Budget Change
1901 Unclaimed Money	\$ 0	\$ 1,335,000	\$ 0	\$ (1,335,000)
1933 Land Sales	0	0	0	0
1937 Potawatomi Allocation	4,026,867	4,026,477	4,026,477	0
1969 Medicare Part D Revenues	3,248,219	850,000	0	(850,000)
1993 State Shared Taxes	31,069,090	30,990,382	31,080,305	89,923
1994 State Exempt Computer Aid	3,566,563	3,566,195	3,566,195	0
1996 County Sales Tax Revenue*	64,348,447	67,192,280	66,192,280	(1,000,000)
1998 Surplus from Prior Years	0	5,538,786	5,000,000	(538,786)
1999 Other Misc. Revenue	379,478	205,000	76,500	(128,500)
<b>TOTAL NON-DEPT. REVENUES</b>	<b>\$ 106,638,664</b>	<b>\$ 113,704,120</b>	<b>\$ 109,941,757</b>	<b>\$ (3,762,363)</b>

\* The figure stated above is presented as gross sales tax collections for clarity. Org 1996 contains net sales tax collections in the Operating Budget (\$56,161,917) after allocations to capital improvements (\$10,030,363).

**Unclaimed Money:** Represents payments to vendors and individuals that go unclaimed. The Office of the Treasurer must publish notice of outstanding funds; if no claim is made; all funds plus interest are to be turned over to the General Fund per State Statute 59.66 (2a). Unclaimed funds are realized in odd years only.

**Land Sales:** Accounts for the sale of County land approved by the County Board. As in previous years, \$400,000 is budgeted in The Department of Administrative Services – Economic Development Division to cover their operating expenditures. This represents the first \$400,000 of unallocated land sales and has been historically realized through the sale of foreclosed properties and other miscellaneous land.

The 2014 operating budget includes no revenues in the Land Sales non-departmental revenue account based on past practice. However, per 2009 Adopted Resolution 11-53, the County is expecting revenue in 2014 from the sale to UWM Innovation Park LLC (UWM) of 88.9 acres of land in the Northeast Quadrant of the County Grounds for the development of a new College of Engineering and Applied Science Campus, known as Innovation Park. The payment schedule included in Resolution 11-53 requires UWM to pay the County \$5,000,000 in February of 2014, and requires UWM to remit to the County 75 percent of the value of any real property sale on the land until the remaining balance of \$3,550,000 is paid off. The Economic Development Director indicates that UWM is likely to complete the sale of one of its parcels to a developer who will construct a hotel on the site, and that the County's 75 percent share of this sale will total approximately \$680,000. Therefore, an estimated total \$5,680,000 in land sales revenue is expected to be realized from this particular transaction in 2014; \$5,000,000 from the adopted payment schedule for the original sale of the land and \$680,000 from the sale related to the hotel development.

Due to the County's experience with this particular project, where UWM had difficulty in making the initial \$5 million payment to the County, on which the County had depended for budgeted capital projects, the 2014 budget does not contain any revenue or expenditure authority related to either the \$5 million payment nor the hotel development. However, it is believed there is a high probability that these funds will be received in 2014. The new financial policies being adopted as part of the 2014 budget (see the Financial Policies section) require that such one-time revenues be directed to one-time projects, especially those that will enhance operational efficiencies, reduce ongoing operating or debt service costs, and improve service delivery and the County's long term fiscal sustainability.

## COUNTY EXECUTIVE'S 2014 BUDGET

### DEPT: Non-Departmental Revenues

UNIT NO. Multiple  
FUND: General - 0001

Along these lines, for the first time the 2014 Budget process included a solicitation from departments during the request phase of initiatives that are either critical one-time maintenance needs but which might not qualify for bond financing, or for one-time projects that will enhance operational efficiency, reduce operating costs, and/or improve service to the public.

Therefore, the 2014 budget directs the Department of Administrative Services – Office of Performance, Strategy and Budget (DAS-PSB) to create revenue and expenditure authority, through the administrative fund transfer process, for the following projects. If less than the anticipated amount of \$5,630,775 from the UWM payment schedule or hotel sale is received, DAS-PSB shall process the administrative fund transfers in the order below, so that the first dollars of funding are allocated to these projects in priority per this listing.

Priority Order	Department	Amount	Project
1	DAS-Facilities Management	\$500,000	Countywide Dispatch Major Maintenance
2	County-Wide	\$255,000	Fiscal Automation*
3	DAS-Facilities Management	\$309,600	Courthouse Elevator Renovation
4	DAS-Facilities Management	\$600,000	Courthouse Penthouse Masonry
5	DAS-Facilities Management	\$30,000	Courthouse Masonry (Basement Wall)**
6	DAS-Facilities Management	\$215,000	Courthouse Exterior Duct Repairs
7	DAS-Facilities Management	\$215,000	Courthouse Tuck-pointing
8	DOT-Highways Division	\$688,675	Highways Maintenance Billing
9	DAS-Economic Development	\$170,000	Real Property Inventory
10	DAS-IMSD	\$50,000	Staffing Study
11	DAS-Facilities Management	\$50,000	Staffing Study
12	Parks	\$800,000	Lighting Retrofits
13	Medical Examiner	\$126,000	Spectrometer**
14	DAS-Facilities Management	\$250,000	Major Maintenance Funding
15	Parks	\$250,000	Parks Amenities Matching Fund
16	Aging	\$250,000	Senior Centers - Major Maintenance Funding
17	House of Correction	\$100,000	Major Maintenance Funding
18	DAS-Facilities Management	\$338,000	HVAC Improvements
19	Workforce Development	\$400,000	Workforce Development
20	Federated Library System	\$33,500	Software Migration
	<b>TOTAL</b>	<b>\$5,630,775</b>	

\* = Ongoing capital project providing support and technical modifications to the County Fiscal Intranet (which is a primary fiscal tool used County-wide), intranet enhancements (Comptroller-Capital, DAS-Performance, Strategy, & Budget) for more effective and efficient capital project monitoring and carryover process, automation enhancements to streamline the capital request and review process, and other technology related fiscal projects as may be presented.

\*\* = Indicates this project has additional expenditure authority budgeted that is financed with general obligation bonds.

Any revenues realized in excess of the \$5,630,775 above will be placed into the Appropriation for Contingencies.

**Potawatomi Revenues:** Represents payments, based on Class III Net Win during the period July 1, 2013 to June 30, 2014 by the Potawatomi Bingo Casino per contract. The amount is net of allocations to operating

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departments (see below). The total 2012 net win payment was \$4,026,867. The 2014 Budget includes Potawatomi revenue of \$4,026,477 (after allocations) which is unchanged from the 2013 Budget. Allocations to departments total \$1,488,523 and include:

#### Behavioral Health Division (Org 6300)

- \$337,203 to support the Community Services Section programs
- \$500,000 to support Alcohol and Other Drug Abuse (AODA) treatment through the Non-Temporary Assistant to Needy Families (TANF) AODA Voucher System.

#### Department of Health and Human Services (Org 8000)

- \$350,000 to increase the level of revenue in the Division's Birth-to-Three program to avoid a reduction in Federal revenue due to non-compliance with the Maintenance of Effort expenditure requirement.
- \$201,320 to support the programs of the Delinquency and Court Services Division.
- \$100,000 to provide case management services to the Shelter Plus Care program for homeless and disabled veterans.

**Medicare Part D Revenues:** Due to the implementation of the Employee Group Waiver Plan (EGWP) for prescription drug benefits, the County will no longer receive a direct reimbursement from the Federal government for retiree drug benefits. Instead, savings will be achieved directly through lower expenditures paid for prescription drug benefits in Org 1950 – Employee Fringe Benefits

**State Shared Taxes:** Represents payment from the State under the County and Municipal Aid payment program. The Base Payment is given to each County on a per capita basis. The Utility Payment compensates local governments for costs incurred in providing services to tax exempt public utilities. Wisconsin State Statute 48.561(3) requires the Wisconsin Department of Administration to reallocate \$20,101,300 from Milwaukee County's shared revenue allocation to the Wisconsin Child Welfare Program. State Shared Taxes are budgeted based on the most recent projection from the Wisconsin Department of Revenue.

<u>STATE SHARED TAXES</u>	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Budget</u>	<u>2014</u> <u>Budget</u>
Base Payment	\$ 47,023,962	\$ 47,026,480	\$ 47,023,962
Utility Payment	4,146,428	4,065,202	4,157,643
Subtotal State Shared Taxes	\$ 51,170,390	\$ 51,091,682	\$ 51,181,605
State Child Welfare Reallocation	(20,101,300)	(20,101,300)	(20,101,300)
Total State Shared Taxes	\$ 31,069,090	\$ 30,990,382	\$ 31,080,305

**State Exempt Computer Aid:** Represents State payments to compensate for the exemption of computers from property tax rolls, per 1997 Wisconsin Act 237. The 2014 Budget of \$3,566,195 is unchanged from the 2013 Budget.

**County Sales Tax Revenue:** Represents collections of the County's 0.5 percent sales and use tax, less a State Administrative fee of \$1,178,997 and allocations of \$10,030,363 to Capital Improvements. Based on an analysis of recent trends Milwaukee County 2014 net sales tax collections are anticipated to be \$66,192,280. Debt Service costs of \$42,189,549 are anticipated for 2014, resulting in a net of \$13,972,368 available for general fund purposes. No increase in sales tax revenue is budgeted based on the Marketplace Fairness Act, which is currently under consideration by the US Congress. The Governor of Wisconsin has indicated that any additional sales tax revenue would be offset by a corresponding decrease in income tax revenue. Thus,

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any increase in sales tax revenue due to the proposed legislation would be offset by a decrease in shared revenue.

	2012	2013	2014
<u>STATISTICAL SUPPORTING DATA</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Estimated County Sales Tax Collections, Excluding Retailer's Discount	\$ 65,494,603	\$ 68,389,089	\$ 67,371,277
State Administrative Fee	(1,146,156)	(1,196,809)	(1,178,997)
Milwaukee County Sales Tax Collections	\$ 64,348,447	\$ 67,192,280	\$ 66,192,280
Less County Sales Tax Allocated to Capital Improvements	\$ (445,000)	\$ (6,402,766)	\$ (10,030,363)
Milwaukee County Net Sales Tax Collections	\$ 63,903,447	\$ 60,789,514	\$ 56,161,917
Less Sales Tax Dedicated to Debt Service	(60,335,918)	(51,563,478)	(42,189,549)
Available for General Fund	\$ 3,567,529	\$ 9,226,036	\$ 13,972,368

**Surplus (Deficit) from Prior Year:** Represents the County's 2012 surplus per 59.60 of Wisconsin State Statutes. The 2012 surplus as approved in County Board File 13-344 is \$5,000,000.

**Other Miscellaneous Revenue:** Includes all other revenue sources, including closure of Tax Increment Financing (TIF) districts. The 2014 Budget consists of \$76,500 from the cancellation of uncashed County checks and Jury Fee revenue from County employees on Jury Duty.